

High price of power

The Spectrum, Article published Dec 17, 2007

Consumers don't think much about electricity until the power goes off or there's a price increase. It's the later for residents in Washington City.

Residents of Washington City will see a 29 percent increase on their power bills beginning in February. The price hike is attributed to the lack of new production facilities for wholesale power suppliers to keep up with the increasing demand for service. The city signed a five-year contract with its main power supplier that went unnamed in a Wednesday city council meeting but explained the changing rates in the city's December newsletter:

"... We have been very fortunate to have contracts for delivery available to us for low cost hydroelectric supply based on the existing rate at the time of the contract. These contracts expire January 1, 2008; low cost wholesale contracts will no longer be available to us. Base load replacement will come from a different source at a substantial increase in wholesale cost to the city."

Washington City is the latest example of a municipality that delayed the inevitable by not raising rates on an annual basis so that consumers could more easily adjust their budgets to pay their bills. We've seen similar instances of large utility price increases from St. George to Parowan and nearly every town in between.

Many of these Southern Utah cities make themselves out to be at the mercy of utility companies yet they deal with those entities on a regular basis. It is difficult to believe any of them were rendered powerless in their ability to supply affordable utilities to residents. While we don't pretend to know all the intricacies involved in supplying power to residential consumers, we do question whether the issue was placed on the back burner for too long forcing city leaders to increase rates at a more aggressive pace.

Since electricity is an essential part of everyday living, the residents have few options other than to conserve and advocate for alternative energy sources that are less burdensome on their household budgets. Alternative energy production on a mass scale won't become practical until consumers are willing to pay higher rates. Since conventional methods are causing utility bills to rise anyway, now is the perfect time to push for more advanced, reliable, and well-maintained electricity generation, transmission and distribution systems.

Washington City and other municipalities could not do anything about the cost and availability of fuel used for power generation, but they can do more with restructuring to increase retail choice availability. Improving their transmission processes necessary to deliver power cheaper to its constituency is another course of action to consider. And all of these cities can certainly explore adopting their own alternatives rather than leaving themselves susceptible to no other option than passing volatile, fluctuating utility rates onto their residents.